



Department of Veterans Affairs

Financial Policy

Volume XV

Payroll

Chapter 1A

Overview

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0101 Overview

This chapter establishes the Department of Veterans Affairs' (VA) financial policies for payroll processing and administration.

Key items addressed are roles and responsibilities of employees, timekeepers, supervisors, and VA servicing payroll offices regarding recording, certifying and maintaining timekeeping and payroll records.

Detailed payroll procedures are available at the VA intranet accessible SharePoint site, [Payroll Support Operations - Home \(sharepoint.com\)](#).

0102 Revisions

Section	Revision	Office	Reason for Change	Effective Date
'0104	Service and Division Chief responsibility to appoint timekeepers by memo is updated	VHA CFO	VATAS Delegation of Authority documents add and remove roles	April 2022
010502B & K, Payroll Tasks	Replace timekeeper audit with annual audit requirement	OM (004)	Per Office of Business Oversight (OBO) review and recommendation	April 2022
010503, Certifying Official Actions	Edit sub-header and change timesheet certification deadline.	OFP (047)	Reduce missing time errors and related special pay requests	April 2022
010502 & 4	Full update	OFP (047)	Identify responsible party in each provision	April 2022
Appendix A	Added audit requirement	OM (004)	Per OBO review and recommendation	April 2022
010501L changed to 010502M & N in April 2022	Add requirement for clearance upon separation.	OFP (047)	Request from field	September 2021

Section	Revision	Office	Reason for Change	Effective Date
Various	Reformatted to new policy format and completed five-year review; moved daylight savings time coverage to Vol XV, Chapter 2; added clarity to high-level requirements	OFP (047G)	Reorganized chapter layout	March 2019
Procedures and Appendices	Removed procedures and appendices allowing detailed procedures content to move under Financial Services Center (FSC) Payroll Support Division (PSD) responsibility.	OFP (047G)	Assignment reorganization	March 2019
010503C	Removed allowance for exception to prohibiting a timekeeper posting their own timesheet.	OFP (047G)	Improved remote access in VATAS; opportunity to automate control	March 2019
010501D	1) Allow supervisors to control Time and Leave Unit (TL) access, and 2) allow the same supervisor to enter both system approvals (Supervisor and TL Approver).	OFP (047G)	Changes support VATAS process enhancement.	January 2018
010502	Added control that supervisors may not certify their own timecard or that of a family member, close relative, or other individual whose relationship may create the appearance of a conflict of interest.	OFP (047G)	OIG recommendation	July 2017
010501D	Clarified segregation of duties requirements	OFP (047G)	Reduced restriction on supervisor TL role assignment	July 2014

Section	Revision	Office	Reason for Change	Effective Date
0104 Roles and Responsibilities	Updated section	OFP (047G)	To match other chapters	July 2014

0103 Definitions

Defense Civilian Pay System (DCPS) – A payroll system operated by Defense Finance and Accounting Service (DFAS).

Defense Finance and Accounting Service (DFAS) – Entity within the Department of Defense (DoD) that provides finance and accounting services for DoD and other Federal agencies. DFAS is the payroll service provider for VA.

Fee Basis Earnings Data – Fee Basis timesheets show the dollar amount earned for each day worked per an annual appointment contract. See VA Handbook 5007, Part II, App F for pay policy.

Fund Control Point (FCP) – A financial accounting element that helps divide monies into a specified service, activity or purpose from an appropriation.

HR Smart – VA’s Human Resources information system.

Master Record – An individual employee record in HR and payroll systems containing pay rate, leave and other data required for payroll processing. The individual employee record in DCPS is known as the Master Employee Record (MER).

myPay – A web-based DFAS system which allows VA employees to update address and deductions data and permits viewing the Leave and Earnings Statement (LES) and W-2 (website: <https://mypay.dfas.mil/mypay.aspx>).

Payroll Operations – The entire process necessary to issue an employee’s paycheck, including entering employee data, recording and certifying Time and Attendance (T&A) information, establishing pay entitlement, making appropriate deductions, disbursing payments, charging the appropriation, making necessary adjustments and reporting expenses.

Remedy and customer relationship management (**CRM**) **Tickets** – Communications that exchange information and track discussion of individual employee records and adjustment information between field payroll and HR staff and the systems support offices.

Subsidiary Timesheet – Timekeeping system record used by a part-time physician on an adjustable work schedule and a full-time physician on a variable work schedule to document their own work and leave hours for each workday.

VATAS – VA's time and attendance system.

0104 Roles and Responsibilities

Under Secretaries, Assistant Secretaries, Chief Financial Officers, Fiscal Officers, Chiefs of Finance Activities, Chief Accountants, and other key officials (OKO) are responsible for ensuring compliance with the policies and procedures set forth in this chapter.

Agent Cashiers receive and distribute employee salary checks issued by DFAS and follow VA policy and procedures for returning any unclaimed salary checks in accordance with VA Volume VIII, Chapter 3, Agent Cashier Accountability Policy.

Assistant Secretary for Human Resources and Administration/Operations, Security and Preparedness is responsible (through the VA Chief Human Capital Officer) for advising Under Secretaries, Assistant Secretaries, other key officials, and field station managers and supervisors of legal and policy requirements and authorities relating to employee pay, leave, allowances, and deductions, excluding taxes.

Chiefs/Directors/Officers, Human Resources, are responsible for providing appropriate levels of advice and assistance to employees, beneficiaries, supervisors, and fiscal/finance employees regarding laws, regulations and policy covering HR issues, including interpretation of rules relating to hours of duty, pay, leave and authorization of deductions from pay. HR Officers will also ensure HR data is accurate and entered timely into automated HR systems that integrate with payroll and timekeeping systems.

Defense Finance and Accounting Service (DFAS) is VA's designated payroll provider (except for VA Office of Inspector General staff). DFAS processes payroll, makes all employee deductions and disbursements, generates the LES and W-2 files, charges VA appropriations and cost centers and reports payroll related financial information to Treasury on behalf of VA.

Director, Financial Services Center (FSC), or designee specified in writing by name and position, is responsible for ensuring that payroll activity is generated and processed as needed, to include payroll support services.

Employees are responsible for prompt submission of leave requests in accordance with HR leave administration policy, reviewing their timesheet and their LES for accuracy and for promptly notifying:

- Their supervisor and timekeeper of timesheet discrepancies regarding leave charges, telework and extra work time; and
- HR or payroll representatives of other pay, leave and deduction discrepancies.

Employees are responsible for informing themselves regarding tax withholding requirements, and for submitting applicable tax withholding election certificates to the servicing payroll office or updating tax withholding elections in myPay.

Fiscal Officers responsible for a servicing payroll office will ensure completion and reporting of annual timekeeping and payroll records audits.

Service and Division Chiefs are responsible for delegating and maintaining an adequate number of timekeepers, supervisors, TL approvers and alternates. Delegations of Authority (DOA) shall include action requested (addition or removal) and effective date.

Servicing Payroll Office (i.e., centralized as in FSC and VISN 20, or facility based) trains timekeepers and supervisors on timekeeping system functions and works with timekeepers, supervisors and other employees to resolve pay and leave discrepancies and with auditors on annual records audits. The servicing payroll office is responsible for ensuring prompt adjustment processing, deduction input and maintaining accurate and secure timekeeping and payroll records.

Supervisors are responsible for accuracy of employee pay and leave status recorded in the time and attendance system. This includes but is not limited to:

- Ensuring that timekeepers are promptly notified of information needed to maintain accurate and complete time and leave records;
- Managing employee leave and overtime work and ensuring prompt completion of necessary supporting request and approval documentation;
- Ensuring that timekeepers have sufficient time for daily maintenance of T&A records, and for completing such records at the end of the pay period to ensure timesheets are certified by 8 p.m. Central Time on the second Friday of each pay period unless and earlier deadline is announced by FSC Financial Payroll Service (FPS);
- Approving and certifying automated T&A records through electronic signature; approving and certifying paper T&A records as applicable; and
- Seeking HR entitlement guidance when unsure and denying questionable transactions pending resolution of concerns.

Timekeepers are responsible for the preparation, maintenance and timely submission of official T&A records and reports for each employee whose record has been assigned to their Time and Leave Unit (TL).

0105 Policies

010501 General Policies

- A. VA will pay employee salary promptly and accurately, and will administer leave credit based on:
 - Certified T&A data displaying correct hours of work, leave and pay entitlement; and
 - Meeting system input deadlines to support on-time payment processing.
- B. VA will maintain personnel records and timesheet record data used to calculate gross pay; pay is reduced by required tax, benefit and other authorized deductions.
- C. VA systems send information to the Defense Civilian Pay System (DCPS) for payroll processing, distribution of pay and deductions and return of cost and leave accounting report data.

010502 Payroll Tasks

- A. VA fiscal officers will ensure adequate segregation of duties exists for authorization of pay and entitlements, certification of payments, payroll computation, recording of payroll data in the accounts and review of payroll transactions.
- B. Fiscal officers responsible for a servicing payroll office will ensure completion of annual audits of timekeeping and payroll records meeting audit requirements in Appendix A.
- C. Servicing payroll office staff will ensure prompt and proper payment to all persons entitled to be paid, in compliance with applicable laws, regulations and legal decisions. Only those employees entitled to compensation and benefits (e.g., premium pay, military leave) will receive them, based on certified T&A information and other authorized payroll transactions.
- D. Servicing payroll office staff will ensure accurate accounting for and disposition of all appropriate pay, leave, allowances and deductions.
- E. Servicing payroll office staff will ensure Fund Control Points (FCP) are assigned to all new employee accounts and are modified when necessary.
- F. Servicing payroll office staff will ensure that payroll records are maintained securely and in accordance with the National Archives and Records Administration's General Records Schedule (NARA GRS).

- G. Servicing payroll office staff will ensure retention of the most recent record of training for timekeepers and supervisors conducted for active individual assignments, and of group timekeeper training events.
- H. Servicing payroll staff will provide initial timekeeper training for a newly appointed timekeeper within 30 days of their appointment; this training will occur prior to servicing payroll requesting role establishment or menu access. Thereafter, on an annual basis, all timekeepers will complete refresher training. Additional training will be provided as needed to support new instructions or procedures relating to time and leave.
- I. Servicing payroll staff will provide training to a newly appointed supervisor or TL approver prior to requesting role establishment or menu access. This training will include, at a minimum, instruction for the supervisor or TL approver menu and an explanation on how timesheet processing affects pay and leave.
- J. Servicing payroll staff will ensure that new part-time physicians who have been approved for an adjustable work schedule and full-time physicians approved for a VWS are properly trained on the use of the subsidiary timesheet.
- K. Servicing payroll staff will provide prompt support for annual audits of payroll and timekeeping records. Retain each payroll and timekeeping records audit report for 2 years per NARA GRS.
- L. Servicing payroll office staff will ensure payroll records and reports are provided promptly in response to inquiries, including inquiries on former employees. If additional records or reports are required, servicing payroll staff should:
 - Contact the servicing HR office which has access to the former employee's electronic Official Personnel File (e-OPF) for assistance,
 - Access or request the needed DFAS records, or
 - Contact the FSC nationwide payroll helpdesk for additional assistance regarding payroll transaction history.
- M. VA stations will use a modified version of [VA Form 3248CO](#), Employee's Clearance from Indebtedness, or similar automated process to document notice of employee separation to offices with required action such as removing systems access and recovering issued equipment. Instruction for local form development is available on VA Form 3248CO.
- N. Separating employees will be notified of pending debt and be advised of the available options to satisfy the debt after leaving VA employment. Details on employee debt can be found in Volume XII, Chapter 3 Employee Debt.

010503 Certifying Official Actions

- A. Certifying Officials (i.e., Supervisors and TL Approvers) will certify timesheets in VATAS by 8 p.m. Central Time on the second Friday of each pay period unless an earlier deadline is announced by FSC FPS.
- B. A Certifying Official does not have the authority to approve or certify their own timekeeping information, that of an immediate family member, other relative or that of an individual whose relationship may create the appearance of a conflict of interest. To evaluate potential conflict of interest, consider the prospect of personal relationship information being exposed to public scrutiny (see [5 C.F.R. § 2635.501, Impartiality in Performing Official Duties](#)).
- C. To ensure segregation of duties, Certifying Officials submitting DOA documents must avoid dual role assignment to individuals as both a timekeeper and the supervisor or TL approver.

010504 Timekeeper Tasks

- A. Timekeepers will establish tours of duty in VATAS for those employees with scheduled hours.
- B. Timekeepers will enter an employee's work, telework, premium pay and "Env/Haz/Other" codes as needed, or fee basis earnings data, along with required remarks in VATAS pay period timesheet records.
- C. Timekeepers will enter leave requests on behalf of another employee only per supervisor direction. Physicians on an adjustable or variable work schedule will post their own time and leave on a subsidiary timesheet each workday.
- D. A timekeeper or an alternate timekeeper cannot maintain his/her own T&A report. The timekeeper will keep his/her alternate fully informed as to the location of the T&A reports, subsidiary records, manuals, and written instructions, as these items must always be accessible to the alternate timekeeper(s).
- E. Timekeepers will correct T&A errors promptly (e.g., incorrect charge of leave or failure to reflect premium pay due). Once a correction is entered, the timekeeper will advise the affected employee's supervisor of the correction so the supervisor can approve the change.
- F. Timekeepers will ensure T&A records and reports are securely retained for employees within the timekeeper's assigned TL(s).
- G. Timekeepers will notify supervisors if an employee has not submitted an electronic leave request or provided other acceptable written request for leave.

- H. Timekeepers will advise the servicing HR and payroll office upon confirming that an employee has been or will be in a non-pay status for seven consecutive days or more.
- I. Timekeepers will ensure that **alternate timekeepers** assist in the maintenance of T&A records and reports often enough that he/she is qualified to keep time independently when required.

0106 Authorities and References

[5 U.S.C. Chapter 55, Pay Administration](#)

[5 U.S.C. § 552a, The Privacy Act of 1974](#)

[5 U.S.C. Part III, Employees, Subparts A through G](#)

[38 U.S.C. Part V, Boards, Administrations and Services](#)

[5 C.F.R. Part 550, Pay Administration \(General\)](#)

[5 C.F.R. Part 551, Pay Administration Under the Fair Labor Standards Act](#)

[5 C.F.R. § 2635.501, Impartiality in Performing Official Duties](#)

[VA Financial Policy Volumes](#)

[VA Human Resources Library, Directives and Handbooks](#) (VA intranet access only)

[NARA GRS](#)

[VA Form 3248CO, Separation Notice and Employee Debt Clearance \(VACO\)](#) (VA intranet access only)

0107 Rescissions

VA Financial Policy Volume XV Chapter 1A approved September 15, 2021.

0108 Questions

Questions concerning this financial policy should be directed to the following points of contact:

VHA	VHA Financial Policy (Outlook)
VHA	VAFSC Nationwide Payroll (Outlook)
VBA	VAVBAWAS/CO/FINREP (Outlook)
VBA	VAVBAWAS/CO/OPERATIONS (Outlook)
NCA	NCA Financial Policy Group (Outlook)
All Others	Payroll Policy (Outlook)

Appendix A: Timekeeping and Payroll Records Audits

Each station fiscal officer responsible for a servicing payroll office will ensure completion of an annual review of timekeeping and payroll records to verify effective internal controls, promote data accuracy and ensure process integrity. Annual reviews shall be designed to cover at a minimum:

- Timekeeping Records;
- Payroll Records; and
- Reporting and follow-up.

See FSC FPS process guidance at: [Payroll Support Operations - Home \(sharepoint.com\)](https://sharepoint.com).

A. Timekeeping Records

1. Review findings and recommendations from the most recently completed timekeeping records audit; look for repeated deficiencies or verify remediation.
2. Review a sample of employee timesheets representative of different employee types and schedules.
 - a) Examine schedules, leave, premium pay, telework, union official time and remarks for appropriate information and purpose.
 - b) Contact a sample of affected employees to question their experience in reviewing their own timesheets and reporting discrepancies while identifying any discrepancy in records selected for audit.
 - c) Review supporting records such as a Request for Credit of Compensatory Time Off for Travel (VA Form 0861) and documents supporting such actions as advanced leave, military leave, and jury duty when encountering those items in sample records reviewed; verify physical records maintenance controls.
3. Discuss and review timekeeper controls for any items tracked manually with a sample of timekeepers representing different services.

B. Payroll Records

1. Review findings and recommendations from the most recently completed payroll records audit; look for repeated deficiencies or verify remediation.
2. Verify timekeeper and supervisor training records are maintained as required and training requirements are met.
3. Review a sample of VATAS Delegation of Authority (DOA) documents to confirm VATAS role assignments and access match organizational structure of the work unit or service.
4. Verify prompt action to remove VATAS and payroll & HR systems access when employees leave positions that access is linked to.
5. Verify payroll works DCPS reports promptly to resolve Conversion of Hours, Missing Time, and Invalid Transaction items among other systems error and warning reports.
6. Review the log of health insurance enrollment and change form transmission to carriers to confirm action completed within one week of receipt; review a sample

of employee health insurance elections to verify the latest authorized form enrollment plan code matches the system plan code.

7. Review the log of replies to Unemployment Compensation for Federal Employee (UCFE) form inquiries to confirm replies or other contact with the sending office within four business days of VA receipt in any VA office (or receipt is acknowledged immediately upon receipt if response is already overdue). Review a sample of responses to verify accuracy of wage history reported. Confirm payroll office access to [Department of Labor UCFE instruction](#).
8. Verify prompt transmission of involuntary third-party employee debt offset demands and related correspondence to appropriate DFAS offices.
9. Verify safe and secure physical records storage and purge of old records as required under National Archives and Records Administration's General Records Schedule (NARA GRS), or the administration's NARA-approved records schedule if applicable.
10. Question payroll office staff regarding other current projects, such as settlement payments, and verify compliance with nationwide payroll support instruction.

C. Reporting and Follow-up

1. Summarize findings; identify repeat findings and areas needing improvement as applicable.
2. Copy the report summaries and findings to the facility director.
3. Develop corrective action plans to implement change and confirm resolution.